

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

Hearing Date: March 12, 2025
Hearing Time: 9:15 a.m.
Hearing Location: Albany

IN RE:

GATEWAY SPORTS & POOLS, INC.

Chapter 7
Case No. 25-10053

Debtor.

**MOTION FOR AN ORDER PERMITTING ABANDONMENT PURSUANT TO 11 U.S.C.
§554(a) AND FED. R. BANKR. P. 6007(a)**

Michael Jude O'Connor, Esq., as Trustee for the above-referenced Chapter 7 estate (the "Trustee"), respectfully represents the following in support of his Motion for an Order permitting abandonment pursuant to 11 U.S.C. §554(a) and Fed. R. Bankr. P. 6007(a) (the "Motion"):

1. Gateway Sports & Pools, Inc. (the "Debtor") filed a voluntary petition for relief pursuant to Chapter 7 of the U.S. Bankruptcy Code (the "Code") with the U.S. Bankruptcy Court for the Northern District of New York on February 17, 2025 (the "Petition").
2. The Trustee was appointed on or about February 17, 2025 and is duly qualified to act as such.
3. In the Petition, the Debtor listed its ownership interest in personal property consisting of gym equipment (treadmills, bikes, ellipticals, weight equipment, etc.) as well as office equipment including all computer equipment, communication systems equipment, office furniture, etc. as having a value of \$45,000.
4. The Trustee has had an opportunity to examine the equipment and other items of personal property and is of the belief that the value of the subject property is less than the secured indebtedness in favor of M&T Bank and U.S. Small Business Administration.
5. The property, including the exercise equipment, has not been used since late summer 2023. The County is anxious to purchase the subject real property and absent an

abandonment of the personal property, the bankruptcy estate would be burdened with the task of removing and disposing any items of personal property. M&T Bank had a secured balance against personal property as of January 31, 2020 of \$66,814.70.

6. Based upon the information in the petition, U.S. Small Business Administration has a loan with a balance approximating \$613,700. Attached as Exhibit "A" is a listing of the UCCs filed. It appears that M&T Bank filed UCCs on January 27, 2020, January 31, 2020, and February 21, 2020. The SBA filed its UCC on August 1, 2020. It appears that the SBA UCC filing is subordinate to that of M&T Bank. The undersigned has corresponded with general counsel for the SBA in Buffalo, NY and has not received a response concerning their interest in the subject personal property.

7. In light of the significant secured debt that encumbers the personal property, it appears to the Trustee that there would be no beneficial equity for the bankruptcy estate and therefore administration of the personal property would be burdensome to the estate and Trustee seeks to abandon same.

8. Based upon the foregoing, the Trustee seeks an order permitting the abandonment of all right, title, and interest the estate may have in and to gym equipment (treadmills, bikes, ellipticals, weight equipment etc.), office equipment, including all computer equipment and communication systems equipment and software, and office furniture, etc. in accordance with 11 U.S.C. § 554(a) and Fed. R. Bankr. P. 6007(a).

WHEREFORE, it is respectfully requested that this Court issue an Order permitting the abandonment pursuant to 11 U.S.C. § 554(a) and Fed. R. Bankr. P. 6007(a) and granting for such other and further relief as this Court deems just and proper.

DATED: February 27, 2025

/s/ Michael J. O'Connor
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